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Scott. H.-27—200,000—6.1.48

Development (1947) Department

Miscellaneous SERIES

G.O. No. 4995

Dated 0.10.1947

To Govt. of India [Despatch Abstract.]

Iron and Steel Control - Reintroduction from 1.9.1946 - Revised Scheme of distribution of steel - Papers recorded

GOVERNMENT OF MADRAS.
Development Department.

Letter/Reference No. 85143/L/46-30.

From

Sri. C. Sivasankar, I.C.S.,
Secretary to Government.

To

The Secretary to the Government of India,
Department of Agriculture,
New Delhi.

Dated, Fort St. George, the 25th April 1947.

Sir,

Sub:- Iron and Steel - Supply for Agricultural demands - Separate arrangements.

Ref:- This Department letter No. 85143/L/46-26 dated 11.3.1947.
Telegram from the Government of India, Department of Agriculture, No. F.3-19/47/MY dated 17.4.1947.

With reference to your telegram, I am directed to forward herewith a copy of the estimate of average quarterly requirements of standard steel for agricultural purposes during 1947 enclosed with this Government's letter first cited.

Yours faithfully,

(Sd) C. Sivasankar,
Secretary to Government.

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Copy of letter No. I-1-(183) (195)/47 dated 12.5.1947 from the Joint Secretary to the Government of India, Department of Industries and Supplies, New Delhi to all Provincial Governments and Chief Commissioners.

Sub:- Grow More Food Campaign - 1947-48 - Requirements of steel.

I am directed to refer to the Grow More Food Conference held in New Delhi on the 13th and the 16th January 1947, in order to devise ways and means for the immediate increase of food production. One of the materials very urgently required for this purpose is iron and steel.

As already announced - vide this department letter No. I-II-1(14)/45 dated 1st November 1946, requirements of steel for small consumers will come out of the quota allotted/the Provincial Governments and Administrations for 1947. Small consumers include agriculturists, A statement showing the total allotment to the various Provincial Governments and Administrations as compared with the requirements for agricultural purposes as estimated by the Agriculture Department of the Government of India is enclosed.

While it is intended that the allocation between various users is a matter for the Provincial Governments and Administrations the Government of India consider that the importance and the urgency of the demands arising out of the Grow More Food Campaign 1947-48 hardly need any emphasis. It is therefore expected that the Government of Madras will have no objection to instructing their Steel Permit Authorities to issue permits where necessary on the advises of their Agriculture Department or the Director of Agriculture to the extent shown in column (5) of the attached statement. The Government of India, however, appreciate that it may not be possible to implement this request in full in some cases, but trust that every endeavour will be made to ensure the success of the Grow More Food Campaign.

Statement of Steel requirements.

Province.	Total Provincial allotments for 1947.	Agriculture Departments' requirements for 1947-48.			
		for implements cart wheels, etc.	for persian wheels.	For re-enforceing wells.	Totals items 2-4.
(1)	(2)	(3)	(4)	(5)	(6)
Madras.	31,300	12,000	1,847	...	12,847

/True copy/

Office Assistant,
Madras Record Office.

DEVELOPMENT

SUMMARY.

In connexion with the procedure formulated by theGovernment of India for the distribution of Iron and Steel, the Director of Industries and Commerce was asked to offer his remarks on the following three points:-

Point (1):- Whether some authority from this Province should not be selected as the Iron and Steel Controller's sub-quota holder for the distribution of the quota under 'Industrial Maintenance and Packing' in respect of Industrial concerns in this Province.

Point (ii):- Whether allotment of 'Provincial quota' to the various Registered Stockholders' should be done by the Government in consultation with the Director of Industries and Commerce and whether the 'Registered Stockholders' and the Director of Industries and Commerce should respectively be required to report to the Government the arrival of stocks and of the quantities for which permits were issued.

Point (iii):- Measures for the proper check and control of the distribution at different stages.

Point (i) above:- As the interests of Madras Industries will not receive adequate consideration in the hands of North India Industrial Association (who are All-India bodies) nominated by the Government of India as sub-quota holders for distribution of steel under this allotment, the Director of Industries and Commerce has suggested that the Government of India should be asked to instruct the Iron and Steel Controller to accept his recommendations for allotment under 'Industrial Maintenance and Packing' to established industries in this Province as equivalent to the recommendations of the Associations recognized by the Government of India. The Director of Industries and Commerce's suggestion may be accepted. For orders.

Point (ii) above:- The Director of Industries and Commerce is of the opinion that the method suggested by Government of having superintending control over the scheme of distribution of the Provincial allotment by the Government would result in long delays and has pointed out that he, as the Provincial Steel Controller, can look to this without the direct supervision of theGovernment. For the reasons - recorded in the Assistant Secretary's note at pages 1-415 above, it is considered that Government should retain powers of superintending control over the Provincial Steel Authority without at the same time making the procedure complicated and circumlocutory. The following modified procedure is accordingly suggested for consideration:-

(1) The Director of Industries and Commerce to report at once to Government the allotments made by the Iron and Steel Controller for each period.

(2) The Director of Industries and Commerce, instead of Government, may allot quotas to Registered Stockholders and submit a copy of the allotment order to Government for information and approval.

(3) Registered stockholders should report arrival of stocks to Director of Industries and Commerce only and not also to Government.

(4) Director of Industries and Commerce should submit a monthly return to Government not later than 19th showing

arrivals of stocks with Registered Stockholders and number of permits, names of persons, quantity issued, etc by the Director of Industries.and Commerce.

For orders.

Point (iii) above:- The Director of Industries and Commerce has suggested that an order under "The Madras Essential Articles Requisitioning (Temporary Powers) Act, 1946 may be issued requiring every dealer in Iron and Steel including the 'Registered Stockholders' and 'Controlled Stockists' to take out a licence and prohibiting the transport of iron by rail, road or canal except with a permit. He has promised to submit for the approval of the Government, the draft of an order for the purpose. It may be awaited.

N. Murugasan,
27.1.

'A' and 'B' on page 17 ante may be approved. Director of Industries and Commerce is coming up to-morrow to discuss the matter with Hon'ble Minister.

R.M. Sundaram,
28.7.

I.M. (Industries)

I have discussed matters with the Department and now a decision will be taken at the Ministers' level by a discussion at an informal meeting of the Ministers in order that I may have the benefit of their advice before passing final orders.

x x x x
20.2.

This may lie over till 15.3.1947.

Note from the middle of page 16 above may be perused. Owing to certain difficulties, it has been decided that the work relating to the distribution of iron and steel need not be decentralised and entrusted to the Registrar of Co-operative Societies and the Collectors, but that it might be retained with the Director of Industries and Commerce and that the Director of Industries and Commerce might be requested to reorganise the distribution eliminating the existing defects. Orders have issued accordingly.

Point (1) at 'Z' on page 16 and at 'A' on page 17 above - Nomination of an authority to be a sub-quota holder in respect of Industrial Concern of this Province:-

In another connection, the Government of India

have been addressed to make a lump allotment of irion and steel for industrial purposes of this Province, as they experience considerable difficulty in getting their essential requirements. The Government of India's reply is awaited. In view of this, no further action is necessary.

Point (ii) at 'F' on page 16 and at 'B' on page 17 above - Supervision and control of allotment of irion and steel by Govt:-

In para 6 of the G.O. at (W), the Director of Industries and Commerce has been asked to submit to Government not later than 15th of each month, a monthly progress report of the distribution if iron and steel in the Province. He has also been separately asked to submit his first report. In view of this no further action is necessary.

Point (iii) at 'G' on page 16 and 'H' on page 18 above - Measures for proper check and control of distribution:-

The Director of Industries and Commerce submitted to Government a draft of the order called the 'Madras Irion and Steel Control (Licensing and Distribution) Order, 1947'. But the Government of India raised certain difficulties on the question of the issue of the order by this Government. The questic of the issue of the order was therefore deferred with the concurrence of the Director of Industries and Commerce. However, the Government have sanctioned a large staff for the proper and efficient control over the distribution, of iron and steel, including staff for checking black marketing. In view of this, no further action is necessary.

Use by the Director of Industries and Commerce the designation 'Provincial Irion and Steel Controller' while issuing permits:-

The Government of India objected to the use of the term "the Provincial Irion and Steel Controller' or the 'Provincial Steel Officer'. This Government have not given the Director of Industries and Commerce any such designations. The Director of Industries and Commerce, however, stated that he has been issuing permits as the 'Director of Industries and Commerce and the Provincial Irion and Steel Controller' and does not see any confusion or objection to the use of this term. In view of the Director of Industries and Commerce's letter, no further action seem necessary at present. The question may be examined if the Government of India or Irionand Steel Controller raise any objection in future. No reply to the Director of Industries and Commerce also seems necessary in this regard.

For orders whether the papers may be recorded.

x x x

30.10.

G.O. Ms. No. 4995, Development, dated 30.10.47.

Irion and Steel Gontrol - Reintroduction from 1.9.1946 - Revised scheme of distribution of steel - Papers recorded.

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/True copy/

Office Assistant,
Madras Record Office.